The Comptroller General
of the United States

Washington, D.C. 20548

Decision

Matter of: SEAVAC International, Inc.--Reconsideration

File: B-231016.2

Date: September 19, 1988

DIGEST

Although the Competition in Contracting Act of 1984 mandates that agencies obtain full and open competition in their procurements through the use of competitive procedures, the proposed sole-source award of a contract is not objectionable under the statute where the agency reasonably determined that only one source could meet its needs within the governing time constraints.

DECISION

SEAVAC International, Inc., requests that we reconsider our decision in SEAVAC International, Inc., B-231016, et al., Aug. 11, 1988, 88-2 CPD ¶ ___, denying SEAVAC's protest of the Department of the Navy's sole-source extension of contract No. N00024-84-D-4014 with Seaward, Inc.1/ We deny the reconsideration request.

The contract, for world-wide hull cleaning services for approximately 600 Navy ships per year, was due to expire on June 30, 1988. A competitive acquisition for a follow-on contract for the services was ongoing and could not be completed before expiration of the existing contract. Consequently, the Navy published a notice in the Commerce Business Daily (CBD) on April 5, 1988, advising of its intent to extend the contract on a sole-source basis pending the award of a competitive contract for the follow-on services. The Navy justified the sole-source extension on the basis that there was insufficient time to conduct a competition and it was necessary to extend the contract to

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1/ We also dismissed as untimely that part of the protest concerning earlier contract extensions; SEAVAC does not now contest that dismissal.

continue essential services during the "bridge" period between contracts.

On April 12, SEAVAC submitted a proposal to the Navy for the bridge period, based on the request for proposals (RFP) for the follow-on contract, but which lacked essential information such as identification of SEAVAC's facilities or equipment, the experience of the firm's personnel or management, or any explanation of how SEAVAC might accomplish the accelerated 8-week phase-in it proposed. The Navy returned SEAVAC's proposal on April 15, with advice that the CBD notice "was not a request for competitive proposals."

Because SEAVAC's proposal was inadequate for evaluation, we found that in order to provide even minimal competition for the bridge period, the Navy would have had to initiate and complete a competitive procurement between at least the incumbent and SEAVAC within a period of approximately 2 weeks from SEAVAC's April 12 proposal, in order to assure continued services beyond June 30, assuming that SEAVAC's unsupported and unexplained 8-week phase-in was achievable. We held that the Navy could reasonably conclude that it was not possible to complete a competitive procurement within this time and, therefore, to reject SEAVAC's submission.

SEAVAC asserts that our decision means that an agency may award a sole-source contract without considering proposals received in response to a CBD notice of the sole-source. SEAVAC contends that this is contrary to the Competition in Contracting Act of 1984 (CICA), 10 U.S.C. § 2304(f)(1)(C) (Supp. IV 1986), which prohibits the use of procedures other than competitive ones unless the required notice has been published and all bids or proposals received in response to that notice have been considered. SEAVAC argues that our decision therefore was legally incorrect.

We disagree. SEAVAC's proposal to the Navy to perform the bridge period services was, on its face, inadequate, as we have noted above, and would have required negotiation and evaluation in the context of a competition with at least the incumbent, for which the Navy had already determined there was insufficient time. As we pointed out in our prior decision, this was not an instance in which the Navy received a proposal evidencing a substantial likelihood of ability to satisfy the Navy's requirements within the required time. CICA does not require an agency to compromise its requirements because another company proposes an unsupported alternative. See C&S Antennas, Inc., 66 Comp. Gen. 254 (1987), 87-1 CPD ¶ 161.

The sole-source extension of an existing contract, pending the outcome of a competitive procurement, is justified where ongoing needed services otherwise would be interrupted, the agency reasonably decides that only the incumbent can meet its needs with respect to timeframe, and the extension was not caused by a lack of advance planning. There is nothing in SEAVAC's present request that warrants changing our conclusion that the Navy's decision to extend the incumbent's contract in this case was reasonable under those standards.

The request for reconsideration is denied. 4 C.F.R. § 21.12 (1988).

James F. Hinchman
General Counsel